

Regional Economic Development

Weekly Report

26 – 30 August 2019

To: Hon Shane Jones

Minister for Regional Economic Development

Fletcher Tabureau

Under-Secretary to the Minister for Regional Economic
Development



PROVINCIAL
DEVELOPMENT
UNIT

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1. Dashboard updates

1.1 Status of applications as at 30 August 2019

New projects this week	12
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1.2 Headline Numbers as at 31 July 2019 (monthly)

Total PGF funding committed	Total funding contracted	Total value of funding paid to date
\$2,425.08m	\$1,075.10m	Confidential advice to Government

1.3 Job numbers as at 31 May 2019 (quarterly)

Number of jobs created	1,023
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1.4 Progress of applications and EOI as at 31 July 2019 (monthly)

Stage	Count**
EOI / Application received	177
Being processed	137
Unsuccessful	579
Approved	281
Total	1,174

* Approved projects also includes out of process projects that are managed by other PGF agencies. Application numbers and project numbers may differ, as an application may result in multiple projects.

2. Upcoming announcements

Date	Location of announcement	Projects being announced	Additional information
23 Sep	Napier, Hawkes Bay	Food Innovation Hub Apollo Foods	USEC only

3. Schedule of recent and upcoming recommendations

3.1 Summary of projects up for consideration in 30 August 2019 Independent Advisory Panel meeting

Project title	Region	Description of project	Amount
FOR APPROVAL			
Confidential information entrusted to the Government			
FOR DECLINE			
Confidential information entrusted to the Government			

4. Delivery of projects update

4.1 Top priority projects of interest

Project name	Amount	Description/ update
Hundertwasser Art Centre	\$13.94m	<p>Confidential advice to Government</p> <p>Hundertwasser are now projecting the building's construction will be completed by the end of March 2021. They were due to open January 2021.</p> <p>Confidential advice to Government</p> <p>Provincial Development Unit (PDU) will meet with Hundertwasser Arts Centre on Tuesday 3 September to get an update on the issues and look at the updated plan that is in place to Confidential advice to Government.</p>
		Region: Northland Status: Contracted
Kupe Waka Centre	\$383,064	The contract for this project has now been executed and work on the development plan for the centre has now commenced.
		Region: Northland Status: Contracted
Confidential information entrusted to the Government		
Waitangi Mountain Bike Park	\$490,000	Waitangi Mountain Bike Park (WMBP) will be building tracks at the entrance to the Park and in Zone 4. The 'Wairau Bay' track will be the first step in linking the WMBP with the Pou Herenga Tai Twin Coast Cycle Trail (the National Cycle Way). The track will in essence become the front door of the Park. Works will get underway at the end of August or early September, depending on weather, and will be completed before Labour Weekend.
		Region: Northland Status: Contracted

New Zealand Macadamia Industry Development Project	\$645,000	The building aspect is progressing and building set up is underway. The recipient is in the process of completing the nursery stage of the funding agreement with the outcomes report for this stage being finalised. There have been delays in commencing the training programme stage due to negotiations with the local Eastland Institute of Technology taking longer than expected, but due to be finalised in time to commence in early October 2019.
	Region: Tairāwhiti Status: Approved – on hold	
Tairāwhiti Rooding Package	\$137m	The negotiations prior to the commencement of Aerodrome Road for this project will include the first social and cultural procurement contract. This fulfils contractual requirements to ensure local contractors and employees get preference where possible. The cultural aspect of the contract requires iwi to be involved in key contractual component, for example the design and environmental management. In this instance, Rongowhakaata are heavily involved in the design and risk management development.
	Region: Tairāwhiti Status: Contracted	

4.2 Other projects

Project name	Amount	Description/ update
Tairāwhiti Tourism: <ul style="list-style-type: none"> • Mt. Titirangi Summit Redevelopment • Gisborne Inner Harbour • Cook Landing Restoration 	\$9.99m	Earthworks are well underway for Mt Titirangi summit, as well as the neighbouring Gisborne Inner Harbour refurbishment project. The projects are progressing well and PDU officials have refined the reporting requirements with Gisborne District Council in order to receive more precise information on milestone delivery and expected completion and invoicing.
Region: Tairāwhiti Status: Contracted		

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Matai Lab	\$6.00m	The Matai Lab community launch was a positive and well-attended event. The PDU and Provincial Growth Fund (PGF) was noted on several occasions and thanked for the funding provided. The speakers at the event outlined the regional and national opportunities of the lab, which will be based at the hospital full-time. Following the official launch on 10 July 2019, a successful Matai Lab community launch occurred on 16 Friday 2019. Speakers thanked the PGF for supporting the Matai Lab and outlined the benefits of having a high profile research facility in the region. The benefits included: attraction of specialist staff, training opportunities, and locating high end MRI machinery in Gisborne.
	Region: Tairāwhiti Status: Contracted	
Feasibility Study on the Potential Reinstatement of the Gisborne to Wairoa Rail Line	\$600,000	An engineer's report will be necessary to continue with the feasibility study, which KiwiRail will provide to BERL. The delay in obtaining this information will push out the future deliverables by approximately a month. The Tairāwhiti Rail Study is progressing well, although a small delay of approximately one month will occur because vital information on the Wairoa to Gisborne line bridges is not held by KiwiRail and will need to be developed through an engineer's report.
	Region: Tairāwhiti Status: Contracted	
Confidential information entrusted to the Government - application withdrawn		
Confidential information entrusted to the Government		
Region: Bay of Plenty Status: Approved – on hold		
Government Garden Cultural Quarter	\$15.00m	The contract documentation is currently with Rotorua Lake District Council. The PDU expects to have this contract executed in September.
	Region: Bay of Plenty Status: With Regional Team	

Confidential information entrusted to the Government



Opuke Thermal Pools and Spa

\$7.50m

The recipient received their first funding payment on 9 August and is in the design phase of the project. They are planning to commence construction in December and begin staff recruitment around June 2020.

Region: Canterbury | **Status:** Contracted

Confidential information entrusted to the Government



Te Ara Mahi(TAM) / He Poutama Rangatahi Projects	Various	Regionally-based Senior Advisors for Te Ara Mahi and the Employment and Skills team met this week to discuss the work programme. It was noted that between TAM/HPR contracts and applications received by the PDU, and with those in development in the regions, there were over 100 items of work in the Employment and Skills environment. This will more than utilise the current funding provision. A process to prioritise the applications received and those under development is now underway.
Region: Hawke's Bay Status: Contracted		

4.3 Major upcoming project milestones due by end of August

Project name	Description/ update
Manawatū River Loop at Foxton	A draft Business and Visitor Destination Plan was provided to the PDU on 19 August for review and feedback. The project is on track to deliver the final report by 31 August.
Transforming Te Apiti into a Major Tourism Destination	The project is on track and the recipient is working on the final report and study now. They will have it ready for submission to the PDU this Friday.
Apollo Foods Aseptic Manufacturing Feasibility Study and Business Case	PDU officials conducted a site visit on 26 August. The Business Case is being drafted and is expected to be submitted by the end of the month.
Port Taranaki Business Case	The PDU met with Tasman District Council on 26 August and officials are expecting the Business Case with any amendments following the Council Workshop (29 August) to be received by the due date of 30 August.
Ashburton Second Urban Bridge Detailed Business Case	Under the Funding Agreement, the Detailed Business Case is due for completion by 30 August 2019. The Applicant has advised, however, that the completion date will now be end-February 2020. This allows time for Ashburton District Council District Council to update its Walking and Cycling Strategy, complete preliminary geotechnical investigations and develop the business case along the lines required by NZTA.

5. Policy update

5.1 PGF Limited

In the next week you will receive a draft Cabinet paper and cover briefing to approve and circulate for Ministerial consultation. The draft Cabinet paper relates to two Orders in Council to add PGF Limited to Schedule 4A of the Public Finance Act 1989 and Schedule 35 of the Income Tax Act 2007.

These Orders in Council will establish PGF Limited as a Schedule 4A company and lists PGF Limited as a public purpose Crown-controlled company which in effect provides PGF Limited with an income tax exemption. Subject to approval, and Ministerial consultation, we will prepare the Cabinet paper for the Cabinet Legislation Committee meeting on 17 September 2019. We are currently consulting with relevant agencies on the draft Cabinet paper.

Contact: Isabel Poulson, Managers Strategy and Policy

Privacy of natural persons

Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date sent
0665 19-20	Energy Project update for 9 September 2019 Ministerial meeting	Jones	Isabel Poulson	28 Aug
0645 19-20	Minister Jones' meeting with Timaru Mayor Damon Odey, 2 September 2019	Jones	Mark Jacobs	28 Aug
0630 19-20	Minister Jones' recess week visits to Taranaki and Northland 4-5 September 2019	Jones	Ben Dalton	29 Aug

PROACTIVELY RELEASED

Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	Event Briefing: Sarjeant Gallery Announcement	USEC	Kate Styles	3 Sep
TBC	Event Briefing: West Coast and Canterbury Site Visit	USEC	Kate Styles	3 Sep
TBC	Draft Cabinet paper for authorising the Orders in Council for Provincial Growth Fund Limited	Jones, Nash + Robertson	Karen Walfisch	4 Sep
TBC	Event Briefing: Recess and Waitangi Day Schedule	Jones	Fiona Cassidy	12 Sep
TBC	Event Briefing: Maori Legal, Business and Government Forum	Jones	Ben Dalton	12 Sep
TBC	Joint ministers briefing paper to transfer \$21.350m from Vote BS1 to Vote Conservation	RED Ministers	Robert Pigou	TBC
TBC	Briefing: Waikato Regional Theatre Update	RED Ministers	David van der Zouwe	TBC
TBC	Briefing: South Waikato	USEC	Nicki Sutherland	TBC
TBC	Event Briefing: Meeting with Mayor Shattock	Jones	Nicki Sutherland	TBC
TBC	Event Briefing: FOMA Masterclass	Jones	Kate Styles	TBC

Appendix 3 – Official Information Act requests

Ministerial OIA						
Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
OIA312	Privacy of natural persons	1 Aug	20 Aug	20 Aug	With Minister's Office	All correspondence and material between Eastland Community Trust, MBIE and the Minister relating to the 19.5million PGF announcement regarding the Wood Cluster Centre of Excellence.
OIA313	Privacy of natural persons	1 Aug	20 Aug	20 Aug	With Minister's Office	All information including emails, letters and reports relating to the 19.5million investment for the Wood Cluster Centre of Excellence located in Tairāwhiti, since 1 October 2017.
OIA326	Privacy of natural persons	26 Aug	13 Sep	20 Sep	Scoping	Under the OIA I seek copies of all documents/ reports/ briefings received by you and your office since 1 May 2019 relating to the number of jobs created by or through the PGF.
OIA329	Privacy of natural persons	26 Aug	13 Sep	20 Sep	Scoping	I understand that your officials have provided you with advice on whether there should be a dedicated fund for provincial airports. Under the OIA I seek copies of all advice received by you relating to that issue. I also seek copies of all advice received by you relating to whether provincial airports could/should apply to the Provincial Growth Fund for funding.

Ministerial OIA

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
OIA330	Privacy of natural persons	26 Aug	13 Sep	20 Sep	Scoping	Under the OIA I seek copies of all emails held by your office relating to your possible or potential participation in a photo shoot on a boat, filmed by a drone. I also seek copies of all documents held by your office relating to this.

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Departmental OIAs

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1819-1790	Privacy of natural persons	30 May	15 Jul	19 Jul	With Minister's Office	I have now re-read the Cabinet papers publicly released about the Provincial Growth Fund. I can find no reference to the exclusion of Porirua City or more generally, metropolitan Wellington. I would therefore request the Cabinet reference and associated minute. I would also like advice provided by officials that support this Government position - specifically the policy rationale. I do this under the Official Information Act. It may be that I simply haven't accessed the right Cabinet papers but I would appreciate a link to the appropriate records.
1920-0128		26 Jul	2 Sep	6 Sep	Consultation	I would like to request information pertaining to a Provincial Growth Fund Project; Maungatapere Berries/Onyx Capital Limited. I would like to request all information and documentation that was presented to the Government, Minister of Regional Economic Development, Provincial Growth Fund, Provincial Growth Unit and its staff from the Applicant (Maungatapere Berries/Onyx Capital Limited) that was used to assess the project.

Departmental OIAs

1920-0167	Privacy of natural persons	2 Aug	2 Oct	9 Oct	Gathering Information	<p>The following information in relation to the SWEP (Road Transport Sector):</p> <ol style="list-style-type: none"> 1. Copies of any advice provided to the Minister, or similar internal documents, recommending this programme should proceed. Please include any expectations of the programme in terms of sustainable employment outcomes. 2. The date the programme was formally launched. 3. The number of participants that have taken part in the programme to date by geographical region, (Northland, Auckland, Waikato, Bay of Plenty, Hawkes Bay, Manawatu, Wellington, Nelson/Marlborough, Canterbury, West Coast, Otago and Southland) 4. The number of programme participants that have gained full time employment (30-hours or more per week) in the industry as a direct result of taking part in the programme. 5. The number of programme participants, who having gained full time employment in the industry and were still working the industry 3-months after commencing their employment. 6. The cost of the programme to date to MBIE. 7. The number of hours MBIE staff have incurred in relation to the establishment, and ongoing maintenance of the programme. (Please also advise if the dollar value of these hours is included in the overall cost of the programme to MBIE to date.) 8. Copies of any updates of the programme provided to the Minister, or extracts from any wider reports, provided that report the progress of the programme to the Minister.
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PROACTIVELY RELEASED

1920-0237	Privacy of natural persons	20 Aug	3 Sep	10 Sep	Scoping	Please supply me with all information comprising of requests, reports, emails and other communications regarding the PGF application by Salacia Wave Power (EHL Group).
1920-0243		20 Aug	4 Sep	11 Sep	Gathering Information	Please supply the following information under the Official Information Act: All communications dated from 12 September, 2017 to 12 December, 2017, between MBIE and Ruapehu Alpine Lifts Limited (including emails, briefing papers, assessments, reports and/or recommendations) pertaining to the company's application to the Ministry for \$20-million in funding to be used in the construction of a Hotel at Whakapapa Ski Field.
1920-0227		20 Aug	4 Sep	11 Sep	Gathering Information	A number of questions relating to Ruapehu Alpine Lifts.
1920-0247		20 Aug	4 Sep	11 Sep	Gathering Information (note received for Min Jackson)	Under the Official Information Act, I request all held information including; Expression of Interests, the funding application and it's supporting documents i.e. Letters of Support, all project planning documents, and all held correspondence between MBIE and all parties related to the Secondary School Employer Partnership (SSEP) project which was funded \$449,300 through Te Ara Mahi fund announced 14 August 2019 by Hon Shane Jones.

1920-0250	Privacy of natural persons	20 Aug	4 Sep	11 Sep	Gathering Information (note received for Min Jackson)	Under the Official Information Act, I request all held information including, expression of interests (EOI), funding application and it's supporting documents i.e. letters of support, all project planning/program documents, and all held correspondence between MBIE and all parties related to following projects announced on 15 August 2019: NGEN Room (He Puna Marama Trust) \$990,000 Life Talk (Kamo Driving School) \$396,000 He Poutama Taitamariki \$2.5 million (HPT) Thank you MBIE.
1920-0269		21 Aug	9 Sep	16 Sep	Gathering Information	Under the OIA I seek copies of all emails held by the Ministry relating to the Minister for Regional Development's participation in a photo shoot on a boat, filmed by a drone. I also seek copies of all documents held by the Ministry relating to this.

PROACTIVELY RELEASED

Appendix 4 – Ministerial Correspondence

Ministerial Correspondence				
Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2522	Privacy of natural persons	24 Jun	15 Aug	Kawakawa Rail River Foreshore / Ashby's Boat Yard
SJ2588		3 Jul	ON HOLD	Hawkes Bay Regional Water Security Programme PGF application
SJ2803		29 Jul	20 Aug	Singapore Trash Video
SJ2806		29 Jul	20 Aug	University of Maryland Accelerated Mass / Moananui
SJ2849		2 Aug	23 Aug	Oji Fibre Solutions signs MoU with Licella- iQ Renew to investigate new plastic recycling technology
SJ2869		9 Aug	30 Aug	Northland Biocoal Project
SJ2870		9 Aug	30 Aug	Closing of meat waste facilities in the regions
SJ2892		14 Aug	4 Sep	Flax Fiber / NZ Wool
SJ2900		14 Aug	4 Sep	Support request
SJ2906		21 Aug	6 Sep	Provincial Growth Fund Application Bay of Islands Vintage Railway Trust

Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking Number	From	Date received	Due to Office	Question
PQ 30449 (2019)	Chris Bishop	27 Aug	30 Aug	When, if ever, will the "Independent Advisory Panel" page on the Grow Regions website be updated to material from May, June, July and August 2019?
PQ 30450 (2019)	Chris Bishop	27 Aug	30 Aug	When, if ever, will the "Senior regional officials" page on the Grow Regions website be updated to include meeting agendas and minutes from April, May, June, July and August 2019?
PQ 30829 (2019)	Chris Bishop	30 Aug	2 Sep	On what basis did Fletcher Tabuteau MP say on his behalf in Question Time on 28 August, "We know that this investment will boost Southland's real GDP by nearly \$50 million per year while creating hundreds of jobs in the construction stage, not to mention the retail and the hospitality jobs, once the development is complete", and what papers, if any, listed by title and date; has he received that justify that statement?

PROACTIVELY RELEASED

Appendix 6 – Proactive Release

Documents for Proactive Release			
Name / Document Type	Quantity	Due for release	Status
Applications	257	From 8 August	Various
Funding Agreements	257	From 8 August	Various
Independent Advisory Panel Meeting Papers	2 document sets	From 8 August	Collation
Regional Economic Development Ministers Meeting Papers	3 document sets	From 8 August	Collation
Regional Economic Development Weekly Reports	5	From 8 August	At Minister's Office

Documents Released This Week	
Tracking Number	Request

PROACTIVELY RELEASED